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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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805 THIRD AVENUE
NEW YORK, NY 10022

EXAMINER

POND, ROBERT M

ART UNIT	PAPER NUMBER
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3625

DATE MAILED: 02/04/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/471,971

Applicant(s)

GALUTEN ET AL.

Examiner

Robert M. Pond

Art Unit

3625

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 15 October 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 3-89 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 3-89 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 15 October 2003 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. §§ 119 and 120

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 13) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application) since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.
- a) ☐ The translation of the foreign language provisional application has been received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121 since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 23.
- 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

DETAILED ACTION

Response to Amendment

The Applicant newly added Claim 89. All pending claims (1- 89) were examined in this non-final Office Action.

Response to Arguments

Applicant's arguments, see Remarks, filed 15 October 2003, with respect to the rejection(s) of claim(s) 3-88 under 35 USC 103(a) have been fully considered and are persuasive. Therefore, the rejection has been withdrawn. However, upon further consideration, a new ground(s) of rejection is made in view of Liquid Audio, Wiser et al., and Ginter et al., and Official Notice (formerly ON2). ON1 was withdrawn.

Newly cited Wiser et al. teach an online music distribution system featuring Liquid Audio's web-based media player and further teach the methods to support the electronic commerce service.

The Applicant argued Ginter et al. being a laundry list of elements. Ginter et al. is an issued utility patent and supports Liquid Audio and Wiser et al. with teachings pertinent to but not limited to: distribution of music, rights data generation, contract validation, user access and validation, and secure formats.

The Applicant's arguments regarding use of Official Notice are moot. Both ON1 and ON2 were withdrawn.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

1. **Claims 3-4, 12-24, 29, 42-43, 51-55, 57-63, 67, 70, 81, and 83 are rejected under 35 USC 103(a) as being unpatentable over Liquid Audio (Paper #22, PTO-892 Item: U, 23 pages re-issued as PTO-892, Item: U, 27 pages), in view of Wisner et al. (patent number 6,385,596).**

Liquid Audio teaches a secure Internet music on-demand delivery system and method that allow online consumers to purchase or sample music titles via a media player. The online music delivery system comprises:

- an Internet mastering and encoding system for publishing copy protected music for delivery via the Internet that uses encryption to secure the transmission to a media player, and implements watermarking to guard against piracy (see Item U; page 1-2),
- a music server where the audio and media assets are stored, “served up” to online consumers, and monitored; the music sever utilizes standard

protocols to delivery high-quality, scalable, Dolby-encoded audio and media over IP networks, provides simultaneous audio streams, and provides a turnkey solution for asset management, copyright protection, rights tracking and reporting, and all other aspects of transaction-based music commerce; the music server links additional information pertaining to the music track (e.g. sale price, tour schedule, discounts and coupons) that can be requested via the media player (see Item: U, pages 2, 8-9, and 11),

- media player software that resides in a consumer's computer that lets the consumer preview or purchase CD quality music from the Internet; the media player allows the consumer to see album graphics, lyrics, liner notes and promotions while listening to superior sound provided by Dolby Digital Technology; the music player allows the consumer to purchase a CD the traditional way, or purchase sound tracks delivered over the Internet in audio streams; the music player supports database functions, and provides a music organizer that allows the consumer to display music files by artist, song title, play time, status, and audio quality, sort files by multiple criteria, play songs by clicking on their titles, and compile favorite song lists; the media player decrypts received tracks and protects both the record label and artist's rights (see Item: U, pages 2 and 12-13),
- the use of a password protected music passport that authorizes the consumer to purchase and use sound tracks delivered to the media

player; the music passport includes consumer name, address, and credit card information; consumers downloading the media player free of charge at the click of a button or from other sites using the Liquid Audio delivery system and sampling sound tracks (see Item: U, pages 15 and 19), and

- Liquid License Center being a trusted third-party system for delegating and enforcing licensing between the key parts of the system-licenses for consumers using the music player, distributors using the music distribution server, and publishers using the mastering tools (see Item: U, page 3),

Dynamic Updating and Business Rule Parameters

Liquid Audio teaches all the above as noted under the 103(a) rejection and teaches the Liquid License Center that enforces licenses between the key parts of the system and further teaches the Liquid Server's flexible design that allows the artist to send dynamic product and promotional information comprising sale price, tour schedule, discounts, and coupons (Item: U, page 2), but does not specifically disclose business rule parameters associated with purchase offers. Wiser et al. teach all the above as noted under the 103(a) rejection and teach a complete security protocol that protects the purchase-quality audio images from creation by an artist all the way through purchase and playback by the consumer, data rights server, rights data protections, and restrictions on actions (e.g. playback and record to external devices) (please note the examiner interprets restrictions on playback and record to external devices as taught by Wiser et al. as defining business rule parameters used in formulating an offer to the

consumer) (see at least col. 3, line 64 through col. 4, line 12; col. 7, lines 4-16).

Therefore it would have been obvious to one of ordinary skill in the art at time of the invention to modify Liquid Audio to include dynamic updating and parameters of usage as taught by Wiser et al., in order to allow consumers to make purchase decisions based on usage parameters and dynamically updating information, and thereby attract consumers to the online music distribution service.

Server Response to Media Player Requests

Liquid Audio teaches all the above as noted under the 103(a) rejection, but does not disclose the server receiving requests from the media player. Wiser et al. teach all the above as noted under the 103(a) rejection and teach the media player as the mechanism by which the consumer plays back purchased or previewed audio data, the delivery server as the mechanism by which the media data files are delivered to users via the media player, and further teaches the delivery server receiving requests from the web browser-based media player and responding to media player requests (see at least col. 9, line 53 through col. 10, line 16). Therefore it would have been obvious to one of ordinary skill in the art at time of the invention to modify Liquid Audio to disclose specifics on the delivery server's interaction with the media player as taught by Wiser et al., in order for consumers to better understand how the media player and delivery server interact, and thereby attract more consumers to the music distribution service.

Payment Alternatives

Liquid Audio teaches all the above as noted under the 103(a) rejection and teaches credit card payment, but does not disclose payment alternatives. Wiser et al. teach all the above as noted under the 103(a) rejection and teach credit, debit, and digital cash for payment (see at least col. 2, lines 48-54). Therefore it would have been obvious to one of ordinary skill in the art at time of the invention to modify Liquid Audio to include payment alternatives as taught by Wiser et al., in order to support consumer payment preferences, and thereby attract more consumers to the music distribution service.

Instance of Use

Liquid Audio teaches all the above as noted under the 103(a) rejection and teaches instance of use based on time duration (Item: U, page 26), but does not teach paying an amount for each instance of use. Wiser et al. teach all the above as noted under the 103(a) rejection and teach paying an amount for each instant of use (see at least Fig. 8). Therefore it would have been obvious to one of ordinary skill in the art at time of the invention to modify Liquid Audio to include payment instance for each use as taught by Wiser et al., in order to support consumer purchasing preferences, and thereby attract more consumers to the music distribution service.

Formulating offers

Liquid Audio and Wiser et al. teach all the above as noted under the 103(a) rejection and teach an online music distribution system, method, and computer

readable medium that provide for the secure delivery of audio data and related media, consumers using a media player, the media player communicating with the music distribution system over the Internet in a secure format as consumers search for titles and make selections, an embodiment of Liquid Audio's Liquid Music Player CD web page and Liquid Audio's "Preview for Purchase" web page that features one or more offers to the consumer to purchase by displaying the price per song (see at least abstract; Fig. 8; Fig. 14; col. 10, lines 1-16; col. 14, lines 40-47). Liquid Audio and Wiser et al., however, do not disclose formulating one or more offers based on predefined business rule parameters. It would have been obvious to one of ordinary skill in the art at time of the invention to disclose formulating offers, since it is well within the level of skill to ascertain that offer information displayed to the buyer is the result of formulating an offer consistent with rights parameters.

2. **Claims 8-11 and 47-50 are rejected under 35 USC 103(a) as being unpatentable over Liquid Audio (Paper #22, PTO-892 Item: U, 23 pages re-issued as PTO-892, Item: U, 27 pages) and Wiser et al. (patent number 6,385,596), as applied to Claims 4 and 43.**

Generating Rights Data

Liquid Audio and Wiser et al. teach all the above as noted under the 103(a) rejection and teach dynamic updating or rights data, enforcing rights protection, delivering data to the consumer's media player in a secure format, displaying

rights data in response to a request by displaying the user's right to purchase a song for \$0.99 or the user's right to receive a free preview (Wiser et al.: see Fig. 8), and further teach reporting usage and making royalty payments to the artist based on rights usage, but do not specifically disclose generating rights data. It would have been obvious to one of ordinary skill in the art at time of the invention to disclose generating rights data, since it is well within the level of skill to ascertain that rights information displayed to the buyer is the result of generating rights data.

Detecting Request for Media Player Download

Liquid Audio and Wiser et al. teach all the above as noted under the 103(a) rejection and teach the system responding to consumer requests, authenticating a media player (Wiser et al.: col. 3, lines 36-38), and further teach an icon on Liquid Audio's web page (Item: U, page 25) used by the consumer to select a media player for download to the consumer's computer, but do not disclose the server detecting a request for the media player and downloading the player. It would have been obvious to one of ordinary skill in the art at time of the invention to disclose detecting a request for the media player and downloading the player, since it is well within the level of skill to ascertain that the action by a customer to select a media player via the download icon will be detected by the system resulting in the downloading of the media player.

3. **Claims 5, 25-28, 30-41, 44, 56, 64-66, 68-69, 71-75, 77-80, 82, 84-87, and 89 are rejected under 35 USC 103(a) as being unpatentable over Liquid Audio (Paper #22, PTO-892 Item: U, 23 pages re-issued as PTO-892, Item: U, 27 pages) and Wiser et al. (patent number 6,385,596), as applied to Claims 3 and 42, further in view of Ginter et al. (Paper # 10, patent number 5,910,987).**

Liquid Audio and Wiser et al. teach all the above as noted under the 103(a) rejection and further teach the Liquid LicenseCenter being a trusted third-party system for delegating and enforcing licensing between the key parts of the system-licenses for consumers using the music player, distributors using the music distribution server, and publishers using the mastering tools (see Item: U, page 3), and further teach content rights management and validating consumer access to rights protected music content, but do not disclose details on how this accomplished. Ginter et al. teach systems and methods for secure transaction management and electronic rights protection, and secure chains of handling and controlling information content (e.g. audio, catalog) and information employed to regulate the use of such content (see at least abstract; col. 1, lines 1-34; col. 3, lines 50-55; col. 4, lines 1-67; col. 5, lines 1-44; col. 6, lines 1-67; col. 18, line 45). Ginter et al. further teach:

- content containers, container content objects, databases, and metadata,

- display interfaces, a web browser, and database linkage via dynamic links supported by URLs (see at least col. 102; lines 11-17; col. 290, lines 32-34; col. 289, lines 14-19),
- customized interfaces based on security levels (see at least Fig. 7 (602, 614); col. 77, lines 12-29),
- customized access rights and delegation of access rights implemented with a very flexible and extensible content permission rights and user identification scheme aligned by individuals, installations, by groups, by function, and by hierarchical identification (see at least Fig 5b (808); Fig. 26 (808); col. 13, lines 54-60; col. 25, lines 31-38; col. 59, lines 1-18; col. 259, lines 31-67; col. 260, lines 1-10; col. 274, lines 23-67; cols. 275-278),
- formats including but not limited to text, video, audio, graphics, and scanned images (see at least Fig. 5b (304); Fig. 7 (626); col. 51, lines 15-20; col. 58, lines 59-67; col. 131, line 58 through col. 132, line 12; col. 257, lines 13-25; col. 291, lines 64-65),
- object creation and control structures, users creating and partitioning VDE objects by placing meta-data (e.g. author's name, creation date) into them, and assigning rights associated with them and/or object content (e.g. publisher and/or content creator respectively) (see at least Fig. 5a (300); col. 259, line 30-46),
- permission records specifying various control relationships between objects and users, supporting single access (e.g. one-to-one relationship

between a user and a right user) and a group access (any number of users may be authorized as a group) (see at least col. 259, line 65 through col. 260, line 6),

- using media players and multimedia players (col. 59, lines 53-67), and
- group-based and role-based access to content (see at least col. 278, lines 21-25), and by example, teach the sharing of personalized content among a group of or peers working for a law firm (see at least col. 274, line 23 through col. 277, line 25), and
- electronic agreements and rights protection, contract agreements with content creators, content providers, other sources of content, rules and control pertaining to agreements, validation of content offers, validation tagging, user rights tables, and object registries (see at least Fig. 2 (100); Fig. 2a; col. 2, lines 47-60; col. 4, line 36; col. 5, lines 38-39; col. 6, line 45; col. 8, lines 16-45; col. 8, line 66 through col. 9, line 13; col. 9, lines 40-65; col. 10, lines 41-47; col. 14, lines 14-48; col. 40, lines 18-29; col. 44, line 52 through col. 46, line 64; col. 53, line 18 through col. 56, line 7; col. 71, lines 20-24; col. 151, 26 through col. 158, line 56; col. 241, line 5 through col. 254, line 34; col. 297, lines 7-15).

Therefore it would have been obvious to one of ordinary skill in the art at time of the invention to modify the system and method of Liquid Audio and Wiser to disclose offer validation, rights data generation specifics, content usage and

tracking, and contractual enforcement as taught by Ginter et al., in order to more completely convey the underlying methods of content generation, distribution, and tracking, and thereby encourage content authors and creators to use the music distribution service.

Liquid Audio and Wiser et al. teach all the above as noted under the 103(a) rejection but do not disclose sending a content reference from a first consumer to a second consumer, sending the second consumer selected information, determining whether the second consumer is authorized, rendering the information to the authorized second consumer. Ginter et al. teach all the above as noted under the 103(a) rejection and further teach a) launching content in the form of traveling objects supplied by a content provider to an end-user who can then copy or pass along the content to other end-user parties without requiring the direct participation of a content provider to register and/or initialize the content use (see at least Fig. 19; col. 24, lines 25-62; col. 128, line 38 through col. 131, line 57, col. 262, lines 41-55), and b) passing traveling objects along to a second consumer for content evaluation purposes (see at least col. 131, lines 55-60). Therefore it would have been obvious to one of ordinary skill in the art at time of the invention to modify the system and method of Liquid Audio and Wiser et al. to include traveling objects as taught by Ginter et al., in order to create additional content sales opportunities for the electronic commerce site.

Liquid Audio and Wiser et al. teach all the above as noted under the 103(a) rejection and teach storing the consumer's credit card information in the

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consumer's passport, payment alternatives to credit cards, and further teach usage instances, but do not disclose other usage instances. Ginter et al. teach payment alternatives for usage instances (pay per use, unlimited use, flat rate) (see at least Fig. 4 ("How to Pay," "Cost of Unit"); Fig. 25; col. 142, lines 47-50). Therefore it would have been obvious to one of ordinary skill in the art at time of the invention to modify the system and method of Liquid Audio and Wiser et al. to include payment alternatives and instance alternatives as taught by Ginter et al., in order to provide desirable and competitive approaches to content delivery, usage instance, and payment, and thereby attract content owners, content providers, and consumers to the electronic commerce site.

4. **Claims 6-7, 37, 45-46, 76, and 88 are rejected under 35 USC 103(a) as being unpatentable over Liquid Audio (Paper #22, PTO-892 Item: U, 23 pages re-issued as PTO-892, Item: U, 27 pages), Wiser et al. (patent number 6,385,596), and Ginter et al. (Paper #10, patent number 5,910,987), as applied to Claims 3, 5, 42, 44, and 87.**

Liquid Audio, Wiser et al., and Ginter et al. teach all the above as noted under the 103(a) rejection and teach providing free music samples, consumers sampling sound tracks, validating a user content request at various phases of content access, but do not disclose providing default or alternative content if the offer is to be invalid. It would have been obvious to one of ordinary skill in the art at time of the invention to disclose offering a default or alternative offer, since it is

well within the level of skill to ascertain that sellers of products (e.g. music stores) who do not have a particular product to sell as requested by a potential customer would suggest an alternative product or default (also known as a standard offering) offering in order to attempt a sale rather than let the customer spend money at a competing store.

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Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to **Mr. Robert M. Pond** whose telephone number is 703-605-4253. The examiner can normally be reached Monday-Friday, 8:30AM-5:30PM Eastern.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, **Mr. Vincent Millin** can be reached on 703-308-1065.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the **Receptionist** whose telephone number is **703-308-1113**.

Any response to this action should be mailed to:

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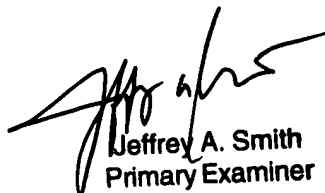
Washington D.C. 20231

or faxed to:

703-872-9306 (Official communications; including After Final communications labeled "Box AF")

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington, VA, 7th floor receptionist.

RMP
January 25, 2004


Jeffrey A. Smith
Primary Examiner